



HOW A SELF-INSURED TELECOM REPLACED A LEGACY CLAIMS SYSTEM TO PREVENT TOTAL FAILURE

When a legacy system is unsupported, it can become a ticking time bomb. A national telecommunications company found itself in this situation. It needed a new claims management system – before time ran out.

A Looming Disaster

As a self-insured organization, this telecom pays claims out of pocket. They experience roughly 100 claims a month, often involving damage to aerial network cables and poles – caused by third parties like tree trimmers or other utility companies. Claims are managed in-house, and a high percentage of claims involve subrogation.

While third parties often cause the damage, the telecom has to fix the damage – and fast – to keep their subscribers functional and happy. That said, they don't want to eat all those costs, and that's why proactive claims management is especially crucial.

If claims aren't managed efficiently, the telecom equipment costs can balloon out of control fast. Collecting from the third parties that are responsible for losses in subrogated claims is especially important.

Claims needed to run smoothly, and a potential disaster was looming. The telecom used an old legacy system that had been built in-house years ago. The platform was no longer supported, and the developers had all retired in the many years since the system's development.

If the legacy system failed – a possibility that seemed increasingly inevitable – claims handling could grind to a halt. Even worse, all data in the system could be permanently lost.

Time Was Running Out

The telecom didn't know how long the legacy system would hold out. For about a decade, the possibility of system failure had been a growing concern. It was time to act. The cost of doing nothing was just too much.

First, they had to decide whether to build or buy. The last system had been built in-house, but doing that again would require significant internal resources, and claims just weren't as high a priority as other tech needs. On the other hand, the telecom needed an option that could be customized to meet the organization's unique claims requirements.

Must-Haves:

- Customizable tabs and fields to capture claim details unique to their niche
- Ability to carefully track expenses and assign partial liability to multiple parties for future subrogation
- Advanced analytics
- Stability & reliability

After doing some research, VCA emerged as a great fit for the business process that the telecom used. Importantly, VCA could create new tabs for fields that aren't used by most claims professionals but that the telecom needed. These tabs would enable them to keep track of the facility and location details, including information on things like the cable height and depth. The custom tabs also enabled the telecom to track partial liability, for example, if the telecom had 15% liability and a contractor had 85% liability.

The reporting and analytics capabilities were also appealing. The telecom would be able to run reports to identify trends on who was causing damage and how damage was typically caused. From a big-picture perspective, it's easy to see how the telecom could use this data to make changes to policies, procedures or equipment to mitigate key cost drivers.

A Race Against Time

The new claims system needed to be implemented before the legacy system failed, and no one knew when that might happen. Time was of the essence. Fortunately, the VCA Software implementation only took about three months from start to finish.

During implementation, VCA really shined by identifying potential data conflicts and figuring out how to capture all the data that needed to be both brought over and captured going forward.

The VCA team established a set of standard reporting capabilities, saving the telecom significant time. Running reports used to require multiple steps in the legacy claims system, but now these reports are readily available with the click of a button.

Running reports used to require multiple steps in the legacy claims system, but now these reports are readily available with the click of a button.

"This was a true problem-solving partnership. We enjoyed collaborating with their team to create a streamlined workflow and reliable solution," says Ilda Cairns, Vice President, Client Services at VCA Software.

Now that the telecom is on a reliable claims management platform, the team can look forward – focusing on prompt, proactive claims handling and managing their total cost of risk with automated controls.

To find out how VCA can help you enjoy similar success, request a demo.

